

Date: March 20, 2013

To: Thomas J. Bonfield, City Manager
Through: Wanda S. Page, Deputy City Manager
From: David Boyd, Finance Director
Subject: CIP Ordinance Amendment to Create Durham Bulls Athletic Park
Improvements Capital Project

Executive Summary

In connection with the execution of a new lease agreement for the Durham Bulls Athletic Park (DBAP) and other agreements with the Durham Bulls being considered as part of Agenda Item #9158, this item appropriates \$12 million for a capital project that will result in needed repairs, improvements and enhancements to the DBAP.

Recommendation

The Finance Department recommends that the City Council adopt an ordinance creating a new Capital Project for the Durham Bulls Athletic Park to address the existing maintenance needs as well as improvements to the ball park.

Background

Durham Bulls Athletic Park, also known as DBAP, is located at 409 Blackwell Street in Durham, NC. The ballpark has been leased to the Durham Bulls pursuant to an agreement entered into in 1992 and has undergone various repairs and enhancements since the completion of its construction.

Issues and Analysis

While the City will be funding 100% of the cost of any existing repair needs, the costs of the enhancements and improvements to the facility will be shared between the City and the Durham Bulls. The total cost of the repairs is estimated to be \$6 million with the improvements and enhancements costing an additional \$7 - \$8 million. Any costs in excess of \$12 million in total will be borne by the Durham Bulls. A capital project ordinance is required to appropriate the City's \$12 million for this new project.

Alternatives

If the City Council wishes to proceed with the improvements to the ballpark there is no alternative to the adoption of this ordinance.

Financial Impact

Bonds will be issued in an amount sufficient to fund the \$12 million in improvements. The bonds will be paid back with revenues generated from the lease of the ballpark as well as other General Fund revenues. The debt service is estimated to be approximately

\$970,000.00 per year. The financial model for ballpark costs has contemplated the repayment of this debt in connection with other changes in the DBAP lease agreement being considered as Agenda Item # 9158.

SDBE Summary

Not applicable; no service is being provided.

Attachment

CIP Capital Project Ordinance